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DEPARTMENT OF COMMERCE

International Trade Administration

A-565-802

Certain Oil Country Tubular Goods From the Republic of the Philippines: Final Determination of Sales at Less Than Fair Value and Negative Final Determination of Critical Circumstances

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce

SUMMARY: The Department determines that imports of certain oil country tubular goods from the Republic of the Philippines are being, or likely to be, sold in the United States at less than fair value (LTFV), as provided in section 735 of the Tariff Act of 1930, as amended (the Act). The final weighted-average dumping margins of sales at LTFV are listed in the “Final Determination” section of this notice.

DATES: EFFECTIVE DATE: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Dmitry Vladimirov, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-0665.

SUPPLEMENTARY INFORMATION

Background

On February 25, 2014, the Department published the *Preliminary Determination* in the *Federal Register*.¹ In the *Preliminary Determination*, we postponed the final determination

¹ See *Certain Oil Country Tubular Goods From the Republic of the Philippines: Preliminary Affirmative Determination of Sales at Less Than Fair Value, Negative Preliminary Determination of Critical Circumstances, and Postponement of Final Determination*, 79 FR 10491 (February 25, 2014) (*Preliminary Determination*).

until no later than 135 days after the publication of the *Preliminary Determination* in accordance with section 735(a)(2)(A) of the Act and 19 CFR 351.210(b)(2)(ii) and invited parties to comment on our *Preliminary Determination*. We received case and rebuttal briefs from the petitioners² and HLD Clark Steel Pipe Co., Inc. (HLD Clark) in May 2014.³ On June 2, 2014, we conducted a hearing in this investigation.

Period of Investigation

The period of investigation is July 1, 2012, through June 30, 2013.

Scope of the Investigation

The merchandise covered by the investigation is certain oil country tubular goods (OCTG), which are hollow steel products of circular cross-section, including oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, regardless of end finish (*e.g.*, whether or not plain end, threaded, or threaded and coupled) whether or not conforming to American Petroleum Institute (API) or non-API specifications, whether finished (including limited service OCTG products) or unfinished (including green tubes and limited service OCTG products), whether or not thread protectors are attached. The scope of the investigation also covers OCTG coupling stock.

Excluded from the scope of the investigation are: casing or tubing containing 10.5 percent or more by weight of chromium; drill pipe; unattached couplings; and unattached thread protectors. The merchandise subject to the investigations is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item numbers:

7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60,

² Boomerang Tube; Energex Tube, a division of JMC Steel Group; Northwest Pipe Company; Tejas Tubular Products; TMK IPSCO; Vallourec Star, L.P.; and Welded Tube USA Inc. (collectively, the petitioners).

³ On June 27, 2014, we placed certain new factual information on the record. On July 1, 2014, HLD Clark provided comments on this information.

7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The merchandise subject to the investigation may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, 7304.59.80.80, 7305.31.40.00, 7305.31.60.90, 7306.30.50.55, 7306.30.50.90, 7306.50.50.50, and 7306.50.50.70.

The HTSUS subheadings above are provided for convenience and customs purposes only. The written description of the scope of the investigation is dispositive.

Analysis of the Comments Received

All issues raised in the case briefs by parties to this investigation are addressed in the Issues and Decision Memorandum.⁴ A list of the issues which parties raised and to which we

⁴ See the memorandum from Deputy Assistant Secretary Christian Marsh to Acting Assistant Secretary Ronald K. Lorentzen entitled "Issues and Decision Memorandum for the Final Affirmative Determination in the Less than Fair Value Investigation of Certain Oil Country Tubular Goods from the Republic of the Philippines" dated concurrently with this notice and hereby adopted by this notice (Issues and Decision Memorandum).

responded is in the Issues and Decision Memorandum and attached to this notice as an Appendix. The Issues and Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and it is available to all parties in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Issues and Decision Memorandum can be accessed directly on the internet at <http://enforcement.trade.gov/frn/>. The signed Issues and Decision Memorandum and the electronic versions of the Issues and Decision Memorandum are identical in content.

Changes Since the Preliminary Determination

Based on our analysis of the comments received, pre-verification corrections, and our findings at verifications, we made certain changes to the margin calculations for HLD Clark.⁵

Verification

As provided in section 782(i) of the Act, we conducted sales and cost verifications of the questionnaire responses submitted by HLD Clark. We used standard verification procedures, including examination of relevant accounting and production records, as well as original source documents provided by HLD Clark.⁶

⁵ For a discussion of these changes, *see* Memorandum to Neal Halper entitled "Cost of Production and Constructed Value Calculation Adjustments for the Final Determination - HLD Clark Steel Pipe Co. Inc.," dated concurrently with this notice and Memorandum to the File entitled "Final Determination of Sales at Less Than Fair Value in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from the Republic of the Philippines - Analysis Memorandum for HLD Clark Steel Pipe Co., Inc.," dated concurrently with this notice.

⁶ *See* Memorandum to the File entitled "Verification of the Sales Response of HLD Clark Steel Pipe Co., Inc., in the Less-Than-Fair-Value Investigation of Certain Oil Country Tubular Goods from the Republic of the Philippines," dated April 10, 2014, and Memorandum to the File entitled "Verification of the Cost Response of HLD Clark Steel Pipe Co., Inc. in the Antidumping Duty Investigation of Certain Oil Country Tubular Goods from the Republic of the Philippines," dated May 13, 2014.

Final Determination

The Department determines that the following dumping margins exist for the period July 1, 2012, through June 30, 2013:

Exporter/Manufacturer	Weighted-Average Dumping Margin
HLD Clark Steel Pipe Co., Inc.	9.88 %
All Others	9.88 %

Disclosure

We will disclose the calculations performed within five days of the date of publication of this notice to parties in this proceeding in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

Pursuant to section 735(c)(1)(B) of the Act, the Department will instruct U.S. Customs and Border Protection (CBP) to continue to suspend liquidation of all entries of certain oil country tubular goods from the Republic of the Philippines which were entered, or withdrawn from warehouse, for consumption on or after February 25, 2014, the date of publication of the *Preliminary Determination*. We will instruct CBP to require a cash deposit equal to the weighted-average amount by which normal value exceeds U.S. price, as follows: (1) the rate for HLD Clark will be the rate we determined in this final determination; (2) if the exporter is not a firm identified in this investigation but the producer is, the rate will be the rate established for the producer of the subject merchandise; (3) the rate for all other producers or exporters will be 9.88 percent, as discussed in the “All Others Rate” section, below. These suspension of liquidation instructions will remain in effect until further notice.

All Others Rate

Section 735(c)(5)(A) of the Act provides that the estimated “all others” rate shall be an amount equal to the weighted average of the estimated weighted-average dumping margins

established for exporters and producers individually investigated, excluding any zero or *de minimis* margins, and any margins determined entirely under section 776 of the Act. The “All Others” rate is based on the weighted-average dumping margin calculated for HLD Clark, the only company for which the Department calculated a rate.⁷

U.S. International Trade Commission Notification

In accordance with section 735(d) of the Act, we notified the U.S. International Trade Commission (ITC) of our final determination. As our final determination is affirmative, in accordance with section 735(b)(2) of the Act, the ITC will determine within 45 days whether the domestic industry in the United States is materially injured, or threatened with material injury, by reason of imports or sales (or the likelihood of sales) for importation of the subject merchandise. If the ITC determines that such injury exists, the Department will issue an antidumping duty order directing CBP to assess, upon further instruction by the Department, antidumping duties on all imports of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the effective date of the suspension of liquidation.

Return or Destruction of Proprietary Information

This notice will serve as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305. Timely written notification of the destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

⁷ See section 735(c)(5)(A) of the Act.

We are issuing and publishing this determination and notice pursuant to sections 735(d) and 777(i)(l) of the Act.

Dated: July 10, 2014.

Ronald K. Lorentzen,
Acting Assistant Secretary,
for Enforcement and Compliance.

APPENDIX

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Critical Circumstances
- IV. Scope of the Investigation
- V. Margin Calculations
- VI. Discussion of the Issues
 - 1. Steel Grade Product Characteristic
 - 2. Differential Pricing Analysis
 - 3. Calculation of Short Term Borrowing Rate
- VII. Recommendation

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